



State of Washington
Department of Revenue

Excise Tax Advisory

Excise Tax Advisories (ETA) are interpretive statements issued by the Department of Revenue under authority of RCW 34.05.230. ETAs explain the Department's policy regarding how tax law applies to a specific issue or specific set of facts. They are advisory for taxpayers; however, the Department is bound by these advisories until superseded by Court action, Legislative action, rule adoption, or an amendment to or cancellation of the ETA.

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REPEALED 9/14/2001

CONVERSION DATE: July 1, 1998

NEXUS: EMPLOYEES OF SELLER'S AGENT

Issued August 5, 1977

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Seller was an out-of-state manufacturer and the second entity was its wholly-owned corporate selling subsidiary. The Department of Revenue ruled that the employee salesmen of the second entity provided a sufficient nexus to assess business and occupation tax upon the manufacturer for Washington sales solicited by such employees.

Sufficient local nexus exists when the order for goods is solicited in this state by an agent or other representative of the seller. As the Supreme Court emphasized in Scripto v. Carson, 362 U.S. 207 (1960), the representative need not have a particular kind of contractual relationship with the seller such as that of employer-employee or principal-agent; nor need the representative work exclusively for the seller. As long as the representative performs significant services in relation to the establishment and maintenance of sales into the state, business and occupation tax is applicable.

ETBS have been made Excise Tax Advisories, and have retained their old number. Advisories with a 2 (plus three digits) are new advisories, ETBs that have been revised and readopted after review under the Department's regulatory improvement program, or advisories that have been revised and/or readopted.

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